

QUESTIONS AND ANSWERS
RE: *GLOBAL COMMITMENT to HEALTH*

Please Note:

The Agency of Human Services in coordination with the Office of Vermont Health Access will make every effort to answer questions regarding the *Global Commitment to Health* within 3 business days of receipt.

The following questions and answers have been renumbered since their initial receipt. Answers are in **bold**. Any questions not directly related to the *Global Commitment to Health*, will be addressed on the Budget and Other Issues Section.

1. Is this Global Commitment concept a Medicaid waiver? If so, under what federal law authority?

Response: *The Global Commitment to Health will be an 1115a federal demonstration waiver.*

2. If the Global Commitment is not a waiver, under what federal law authority will the plan be approved by CMS and implemented?

Response: See answer to the previous question (1).

3. What public process will the administration use to receive comments and feedback about the plan? Please provide any written information about the Global Commitment that is currently available, including written documentation of the financing of the proposal.

Response: On February 24, the Concept Paper which describes the *Global Commitment to Health* was distributed simultaneously to the Medicaid Advisory Board, the Vermont legislature, and AHS Policy Executives, and was posted on the web on the AHS home page and the OVHA home page (www.ovha.state.vt.us).

February 25, the following day, Public Announcements were published in the Burlington Free Press and Rutland Herald noticing Public Hearings and the availability of the concept paper. On March 4, public notice was published a second time in both the Burlington Free Press and Rutland Herald newspapers.

Public hearings are scheduled for:

March 15 in Rutland at the Holiday Inn, from 4:00pm to 6:00pm

March 16 in Burlington at the Sheraton, from 4:00pm to 6:00pm

March 17 via nine Vermont Interactive Television sites from 5pm to 7 pm

In addition, notices of these public hearings are posted on the OVHA website and the Vermont State Government website.

March 23 is the deadline for written comments.

Two special meetings of the Medicaid Advisory Board (MAB) have been scheduled:

March 28 - to hear a summary of the feedback on the Concept Paper gathered at the public hearings and in writing, and for the Board to provide its feedback on the concept paper.

April 7 - to provide feedback on the draft proposal that will be sent to the MAB prior to the meeting.

During the months of March and April, we also anticipate that there will be testimony regarding the *Global Commitment to Health* before many legislative committees, as well as meetings held with various stakeholder groups throughout Vermont.

4. Please explain in more detail the time table for approval and implementation of the Global Commitment, including the rule making time table. Please include detail on how does the administration expects to meet such an aggressive time table that assumes approval by CMS of the Global Commitment by March 31, 2005, and legislative approval of all regulatory changes by July 1, 2005.

Response: The Agency plans to submit the formal proposal to the Centers for Medicare and Medicaid (CMS) for the *Global Commitment to Health* by the middle of April and still hope to achieve agreement with CMS by July 1, 2005. The Agency acknowledges that this timeline is very aggressive, but also recognizes that both Vermont and the federal government would benefit from an expeditious review and agreement to this new arrangement.

Draft statutory language specifying that the State will get legislative approval before finalizing the agreement with CMS has been proposed in the legislature, and is supported by the administration.

Any new rules necessary as individual portions of the Global Commitment that are further developed will be promulgated in accordance with state law.

5. Which specific proposals as outlined in Appendix A need federal approval? Which can be implemented through changes in state statute or regulation? Which can be implemented with no change in law or regulation? If there are provisions that can be implemented without a waiver, is the state going ahead with these provisions?

Response: Below is a chart that lists the proposed policy changes and identifies those that require waivers, changes in state statute or regulation, or state plan amendments.

Item	Medicaid policy Option	GC/ Waiver	Statutory Change	Rule Change	State Plan Amendment
1	Preferred Drug List Update				
2	Manage Six Currently Exempt Therapeutic Classes		X		
3	Freeze VHAP Enrollment and Convert to Premium Assistance	X		X	
4	Caretakers			X	
5	Tighten up Financial Eligibility for Long Term Care Medicaid, Changing the “look back” Period from Three to Five Years			X	X
6	Increase Premiums by Specified Amounts			X	
7	Implement 1115 LTC Waiver	X			
8	Raise Nursing Home Occupancy Threshold on all Cost Centers to 95%			X	X
9	Crossover Claims Adjustment				X
10	Eliminate the Statutory Requirement for Annual Nursing Home Inflation		X	X	X
11	One-time Provider Tax/Provider Disproportionate Share Payment Change		Fee Bill		
12	Pharmacy Fee				X
13	24/7 Doctor/Nurse Line				
14	Case Management of High Cost/ Complicated Services				X
15	Concurrent Review of Inpatient and Home Health Care				
16	Fully Capitalize PACE Centers in Burlington and Rutland				
17	Geriatric Nurse Practitioners				
18	NGA Policy – Diabetes Registry				
19	Pharmacy Mail Order		X	X	X
20	Pharmacy Premium Rebate to Beneficiaries (Generic)		X	X	X
21	Allow Greater Day Supply			X	X
22	Limit VScript Coverage to a More Common Definition of Maintenance Drugs		X	X	
23	Vermont Blueprint for Health				

6. What is the plan for the pending §1115 Long Term Care Waiver and other existing Medicaid waivers? Will the state continue to pursue the Long Term Care waiver or will it be rolled into the Global Commitment? What about other existing Medicaid waivers?

Response: The Agency is continuing to pursue the 1115a Long-term Care Waiver, as this agreement with CMS is close to being finalized. However, the plan is to replace the existing 1115a Waiver (which includes VHAP and the CRT Amendment) with the new Global 1115a waiver, which will also subsume the new Long-term Care Waiver and the existing 1915 waivers within AHS (Traumatic Brain Injury, Developmental Services, Children with Severe Emotional Disturbances, DAIL Home and Community-Based Waiver for people with physical disabilities). This will enable the Agency to have more non-categorical flexibility across these waiver programs while still maintaining our commitment to serving vulnerable populations.

7. What specific requirements of Medicaid law will be waived under the Global Commitment? What provisions of existing waivers would be changed?

Response: The requirements of Medicaid law are lengthy, complex and often byzantine. Often, it takes months to change one small aspect of a waiver program even if we believe it is more customer-friendly, such as changing the wording in a consumer notice or revising eligibility criteria to be more inclusive. One of the major incentives for this proposal to CMS is to receive operational flexibility in administering the new *Global Commitment to Health* Waiver. However, this does not mean that the Agency will have totally flexibility – the Agency will still have negotiated terms and conditions that will identify core groups and services that will be covered, consumer protections regarding complaints and grievances, etc. The Agency will also want to maintain most aspects of the existing waivers, as they have served Vermonters very well. Specific aspects of the proposed terms and conditions will be included in the formal proposal to CMS once the Agency has vetted the broader concept with CMS and our Vermont stakeholders. The Agency would appreciate hearing about specific aspects that individuals or organizations want to ensure are included in the proposal (i.e., areas where more program flexibility would be beneficial, and program parameters that should be kept).

8. What changes in benefits and eligibility will the state make under the Global Commitment?

Response: The only specific changes in benefits and eligibility currently under discussion are those aspects that relate to the Governor's "Saving Medicaid Plan" (see answer to Question 5), only one of which requires the *Global Commitment to Health* for implementation: freezing the VHAP enrollment and converting to a Premium Assistance Plan. While people enrolled under the current

Medicaid/VHAP program, including traditional Medicaid, Dr Dynasaur, 1915 waiver enrollees, VHAP waiver beneficiaries and VHAP-Pharmacy beneficiaries, would be transitioned to the new program, there would be no other immediate impact on benefits as a result of the transition. In addition, as is currently the case, any proposed changes in benefits and eligibility would be vetted with the legislature, and would not be implemented without their approval.

9. Please explain the administration's plan if the funding under the Global Commitment is not adequate to sustain eligibility and coverage in the current programs.

Response: The larger issue is the plan if the Global Commitment to health is not realized. If there is no Global Commitment there will be an immediate and substantial fiscal issue that will need to be resolved. Of secondary concern are future expenditure and revenue growth rates.

10. What will be the impact on the Global Commitment if the Premium Assistance Plan does not pass the legislature? What changes will the administration make to the Global Commitment?

Response: There will be no impact on the Global Commitment although there will be a SFY 2006 budget shortfall that the legislature will have to deal with should the Premium Assistance Plan be unacceptable to the Legislature.

11. Are the pharmacy programs included in the Global Commitment? If so, why. The state is losing federal match for the pharmacy programs that are part of the §1115 waiver effective January 1, 2006.

Response: The Global Commitment is intended to provide a fixed trend rate over five years with a base year of SFY 2004 as a starting point. How Vermont chooses to provide pharmacy coverage in the future is a Vermont decision and should not be subject to federal scrutiny.

12. What contingencies will be included in the "*force majeure*" clause?

Response: At a minimum, Vermont will seek protections for any catastrophic costs that are beyond the state's control, such as a national epidemic. In addition, we will seek inclusion of Vermont as a beneficiary regarding any positive adjustments in Medicaid financing to states based on national policy.

13. What administrative costs will be attributable to the Global Commitment?

Response: We acknowledge there will be many administrative adjustments that will need to be made to manage the new global waiver. However, we believe that the efficiencies will be gained from the new flexibilities will enable us to make these administrative changes without the need for additional resources.

14. Currently, approximately 2/3 of Medicaid is included in the Health Access Trust Fund (HATF). 1/3 of Medicaid remains out of the HATF. It is my understanding that the HATF represents that portion of Medicaid administered by OVHA. Which Medicaid expenditures and programs are outside the trust fund? What are the funding sources for those services? How is the administration proposing to include them in the Global Commitment? How does the administration plan to incorporate money needed for the Vermont State Hospital and other mental health services into the Global Commitment?

Response: Medicaid programs that are funded outside the HATF include the following:

- Department of Children and Families (DCF) programs – early development, Success by Six
- Vermont Department of Health (VDH) programs - mental health, substance abuse, EPSDT outreach
- Department of Aging and Independent Living - developmental services, assistive community care
- Department of Education - school-based health services

The state share for these programs primarily is part of each department's General Fund appropriation. In some cases, the state share is provided through local education dollars, including Success Beyond Six and school-based health services.

The *Global Commitment to Health* waiver will include all programs that currently draw Federal Medicaid dollars. Funding for alternative services to the Vermont State Hospital and other mental health services will be included under the *Global Commitment to Health* waiver.